



► ILO Brief

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Progress towards SDG 8 Achieving decent work and economic growth in Europe and Central Asia

Key points

- Unemployment rates and not-in-employment, education, or training (NEET) rates have decreased significantly in the region. However, unemployment and wage inequalities continue to disproportionately affect women and people with disabilities across the region.
- Informal employment in the region has declined since 2015 but remains significant. Informality rates for men and women show only marginal differences at the regional level, with substantially higher rates for women in Western Asia and men in Central Asia.
- Output per worker has recovered strongly post-COVID-19 across Europe and Central Asia, with Central and Western Asia showing the highest growth rates.
- Level of national compliance¹ with freedom of association and the effective recognition of the right to collective bargaining, the situation worsened significantly in specific subregions.
- Achieving SDG 8 requires maintaining the momentum: Under an overall advancement on SDG 8, there are gaps still to be addressed, focusing on the ILO's Decent Work Agenda, prioritising labour rights, inclusivity, social dialogue, and equitable opportunities in order to foster progress.

Introduction

This brief examines progress towards SDG Goal 8, assessing trends and challenges. Drawing on the latest available data and evidence, it highlights disparities in labour market outcomes, particularly for youth and vulnerable groups. The progress update explores recent trends in GDP per capita and output per worker (targets 8.1.1 and 8.2.1), extending beyond real GDP and output growth to broader aspects of SDG 8.

Achieving SDG 8 requires advancing labour rights, fostering inclusive employment, and reducing inequalities across all subregions. Key indicators under SDG 8 -such as the proportion of workers in informal employment (target 8.3.1), average hourly wages and unemployment rates (targets 8.5.1 and 8.5.2), the share of youth not in employment, education, or training (NEET rate, target 8.6.1), the proportion of children engaged in child labour (target 8.7.1), and fair and safe workplaces (8.8.1 and target 8.8.2) -highlight both the progress and challenges in the region.

¹ Referring to compliance is established on the basis of an indicator, which is based on the coding of the textual sources against a detailed list of evaluation criteria with the coding then converted into the indicator

This analysis aligns with the ILO's commitment to promoting decent work and social justice for all, providing insights into the challenges and progress towards decent work and economic growth.

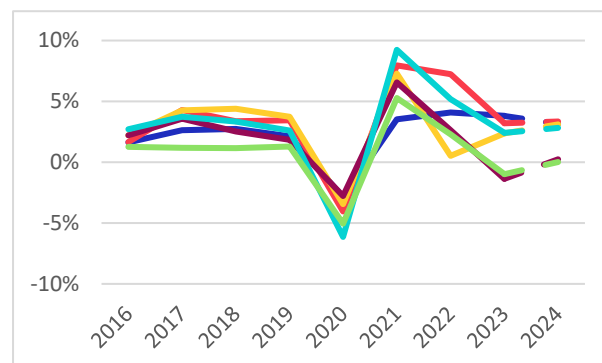
From economic rebound to slowdown (targets 8.1.1 and 8.2.1)

Real GDP per capita in Europe and Central Asia has experienced substantial growth over the past decade, temporarily disrupted by the COVID-19 pandemic but followed by a recovery in 2021 (see Figure 1a).² Similarly, labour productivity, defined as real output per worker, declined significantly before sharply rebounding the following year, except in the Western Asia subregion (see Figure 1b).

Economic growth in the region is estimated to have slowed down to 3.3 per cent in 2024, down from 3.5 per cent in the previous year, with a further decline to 2.6 per cent expected in 2025. This pace remains notably weaker than the 5.1 per cent average recorded between 2000 and 2009 and falls short of what is necessary for middle-income countries, especially in the Eastern Europe subregion, to transition to high-income status within the next two generations.

While easing inflation has led some central banks to begin lowering policy rates, policymakers remain cautious due to concerns over lingering price pressures and an enduring cost-of-living crisis in certain subregions.³

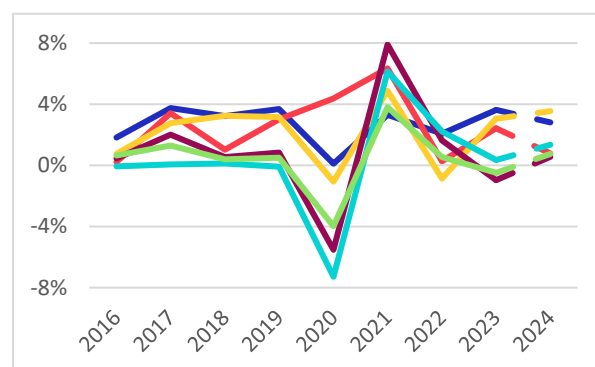
Figure 1a. Growth- GDP per capita, constant prices, PPP 2017



Note: Estimates start after 2023

Source: International Monetary Fund, World Economic Outlook Database, October 2024

Figure 1b. Growth- Output per worker (Target 8.2.1) based on GDP constant prices, PPP 2017



Note: Estimates start after 2023

Source: International Labour Organization. ILO modelled estimates database, ILOSTAT. <https://ilostat.ilo.org/data/>, Accessed 13-02-2025.

Central Asia
Eastern Europe
Southern Europe
Western Asia
Northern Europe
Western Europe

² Western Asia includes: Armenia, Azerbaijan, Cyprus, Georgia, Israel, Türkiye

³ Izvorski, Ivailo, Sergiy Kasyanenko, Michael M. Lokshin, and Iván Torre. 2024. Better Education for Stronger Growth. Europe and Central Asia

Declining informality amid persistent disparities (target 8.3.1)

Globally, informal employment remains widespread, with a rate of 12.9 per cent in high-income countries, compared to 81.5 per cent and 50.8 per cent in lower- and upper-middle-income countries. In 2024, Europe and Central Asia accounted for 2.5 per cent of the world's informal workers, with an estimated 51.2 million women and men working in the informal economy.⁴

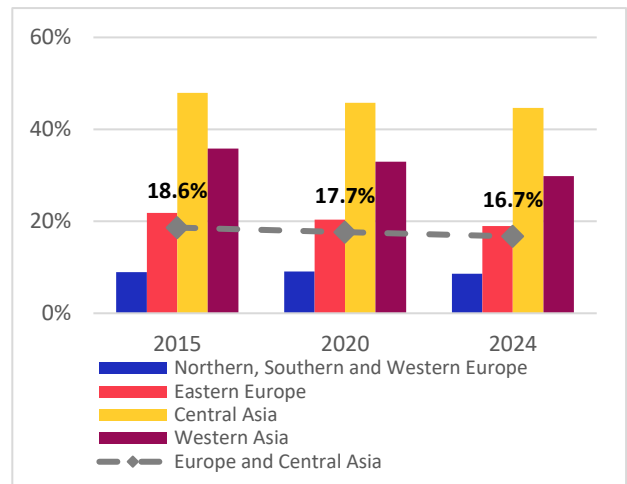
Informality rates have declined in Europe and Central Asia since 2015, especially in Eastern Europe and Central and Western Asia, where informality rates were the highest in the region in 2015. In 2024, informality rates stood at 44.7 per cent in Central Asia, 29.8 per cent in Western Asia and 19 per cent in Eastern Europe (see Figure 2).⁵

The prevalence of informality is closely linked to the relative weight of different industries in the economy. Central Asian economies tend to focus on primary sectors such as agriculture and raw materials, while European economies are more diversified, with a stronger emphasis on services and high-value manufacturing. Across the region, services accounted for 58 per cent of informal employment in 2023, followed by agriculture at 22 per cent and industry at 17 per cent. However, the situation varies by subregion. In Northern, Southern and Western Europe, “other services” represented 52 per cent of informal employment, whereas in Eastern Europe, the figure drops to 20 per cent. In Central and Western Asia, agriculture dominates, with 46 per cent of informal workers in sectors such as agriculture, forestry and fishing.⁶

Informal work is largely concentrated among own-account workers, though employees and employers are also engaged in informal employment. Smaller enterprises are particularly reliant on informal work, with enterprises of fewer than 10 employees accounting for about 65 per cent of informal employment in Europe and Central Asia.⁷ According to the ILO report “*Women and Men in the Informal Economy: A Statistical Update 2023*”, differences between men and women with regard to informal employment vary

across the subregions, with women more likely than men to be informally employed in Western Asia. Additionally, women are more often informally employed within formal enterprises, with 1 in 5 informally employed women working in a formal enterprise.⁸

Figure 2. Informality Rate Reduction between 2015 and 2024, by subregion group



Source: International Labour Organization. ILO modelled estimates database, ILOSTAT. <https://ilostat.ilo.org/data/>, Accessed 13-02-2025.

Enduring gender wage disparities (target 8.5.1)

A 2024 ILO study found that gender wage gaps are persistent, with the average male's wages being 13 per cent higher than the wages of women in high-income countries, up to 21.7 per cent in upper-middle-income ones.⁹ Estimates, based on eleven countries across the region, show a 12.4 per cent gap for Europe and Central Asia in 2022.¹⁰

⁴ ILOSTAT; Accessed 21/02/2025. For Low-income countries, the informality rate reaches 88.3 per cent.

⁵ ILO. 2024. World Employment and Social Outlook: Trends 2024, ILO, Geneva

⁶ ILO. 2023. Women and men in the informal economy: A statistical update

⁷ OECD. 2023. Informality and Globalisation: In Search of a New Social Contract.

⁸ ILO. 2023. Women and men in the informal economy: A statistical update

⁹ ILO. 2024. Global Wage Report 2024-25: Is wage inequality decreasing globally?

¹⁰ The wage gap is represented as the percentage by which the hourly wage of men surpasses the hourly wage of women. Based on 11 countries: Uzbekistan; Türkiye; Hungary; Republic of Moldova; Slovakia; Finland; Iceland; Sweden; Bosnia and Herzegovina; Portugal; Switzerland

Falling unemployment (target 8.5.2)

Unemployment has been decreasing in the region, reaching an average of 5.5 per cent in 2024 (see Figure 3a). Southern Europe, which had the highest unemployment rate in 2015 (17.2 per cent), saw a significant decline over the years, reaching 8.7 per cent in 2024. Eastern Europe also showed a steady decrease, from 6.6 per cent in 2015 to 3.7 per cent in 2024. Unlike the other subregions, Western Asia experienced some fluctuations. While unemployment rates peaked at 11.9 per cent in 2019, they have since followed a declining trend, reaching 7.9 per cent in 2024. The decrease in unemployment was accompanied by an overall increase in employment in the region, with the exception of Eastern Europe.¹¹

Across all subregions, persons with disabilities continue to face higher unemployment rates. Structural barriers and discriminatory practices exacerbate these inequalities. The weighted average unemployment rate for people with disabilities in Europe and Central Asia, based on the latest available year, was around 25.4 per cent, well above the regional average of 4.7 per cent.¹²

Regarding gender disparities, from an initial substantial parity in 2015, in 2024, women's unemployment rates were 0.7 percentage points higher than men's, due to higher decreases for men over the last decade (see Figure 3b). This small variation in unemployment rates should be considered alongside women's significantly lower labour force participation rates.¹³

Lastly, unemployment rates stress substantial differences between young and adult workers. In 2024, the unemployment rate for the young labour force was still 2.5 times greater than that of their adult counterparts.

Figure 3a. Unemployment rates (15+) 2015-2023, by subregion

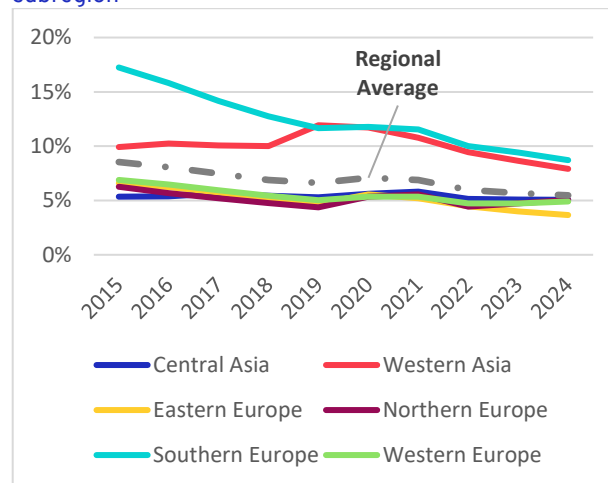
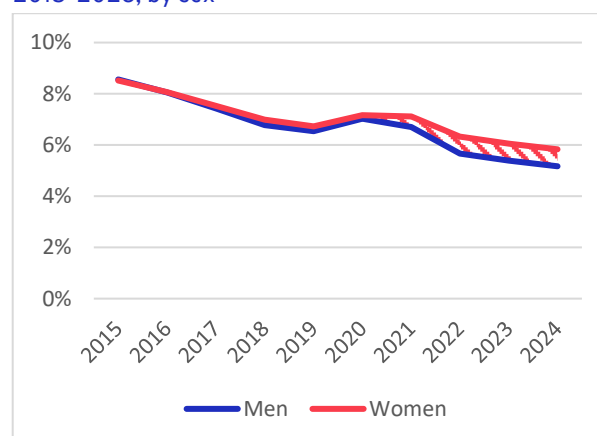


Figure 3b. Europe and Central Asia Unemployment Rate 2015-2023, by sex



Source: International Labour Organization. ILO modelled estimates database, ILOSTAT. <https://ilostat.ilo.org/data/>, Accessed 13-02-2025.

¹¹ ILO. 2025. World Employment and Social Outlook: Trends 2025

¹² Calculation based on survey data, which might considerably differ in methodology. Weighted average unemployment rate in 2022 based on 44 countries. This measure might considerably differ from official unemployment rates due to variations in methodology, including differences in data collection, country coverage, definitions of

unemployment, disability and labour force, and national statistical practices.

¹³ ILOSTAT. Accessed 21/02/2025.

Declining NEET rates amidst persisting gender gaps (target 8.6.1)

The percentage of young people, aged 15-24, who are not in employment, education, or training (NEET) serves as a vital indicator of labour market inclusiveness for younger generations. The NEET rate has been falling since 2015, nominally by 2 percentage points in 2024, when the NEET rate in the region stood at 13 per cent (see Figure 4a). Young women face even greater challenges, with NEET and unemployment rates notably higher than those of their male counterparts in various subregions (see Figure 4b). In 2024, the NEET gender gap in the region was 3.5 percentage points, with young women's rates at 14.8 per cent compared to 11.3 per cent for young men. Southern Europe has made notable progress, with a significant decline in NEET rates, particularly among young women. Initiatives such as the European Union Youth Guarantee have been instrumental in linking youth to education and job opportunities.^{14 15} Northern, Western, Southern, and Eastern Europe are all progressing towards achieving the SDG target 8.6 commitment.

Figure 4a. NEET rate 2015-2024

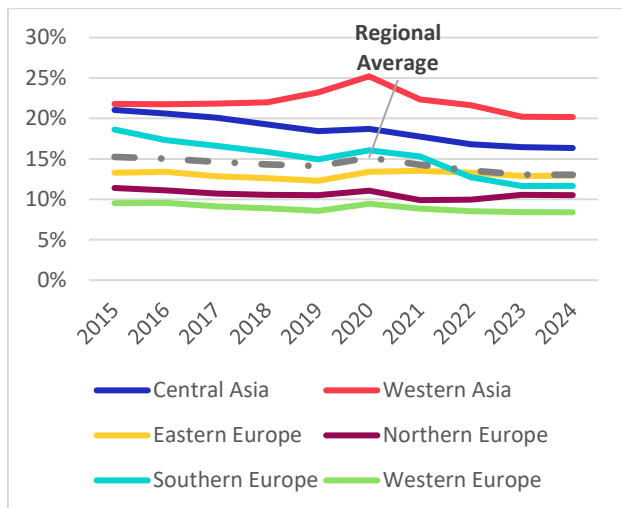
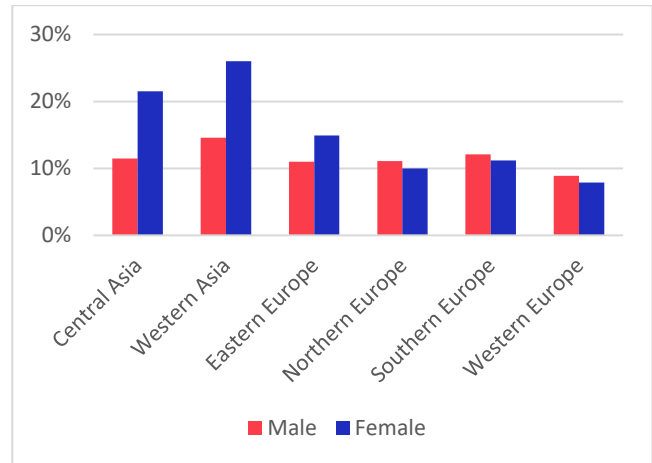


Figure 4b. Neet Rate 2023, by sex



Source: International Labour Organization. ILO modelled estimates database, ILOSTAT. <https://ilostat ilo org data/>, Accessed 13-02-2025.

Child labour on the rise (target 8.7.1)

Both child labour and hazardous work increased between 2016 and 2020, reflecting global trends. In 2020, 5.7 per cent of children aged 5 to 17 in Europe and Central Asia, approximately 8.3 million, were engaged in child labour compared to 5.5 million in 2016, at the time 4.7 per cent of children aged 5 to 17. In both years, the majority were engaged in hazardous occupations: 96.4 per cent in 2016 and 95.2 per cent in 2020.¹⁶

¹⁴ ILO. 2024. World Employment Outlook

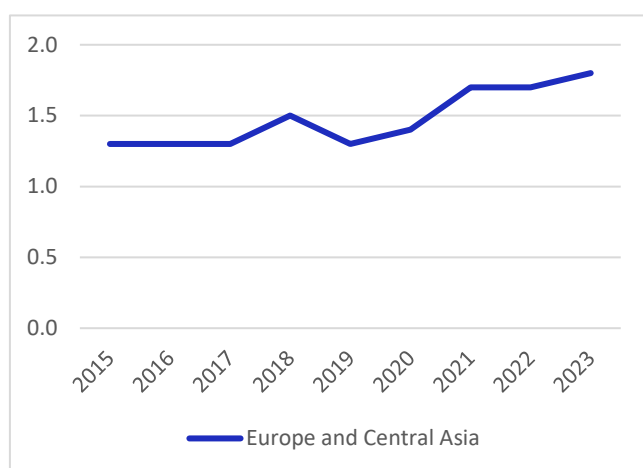
¹⁵ ILO. 2024. Global Employment Trends for Youth 2024;

¹⁶ ILO. 2021. Child Labour: Global estimates 2020, trends and the road forward and ILO. 2021. Child labour statistical profile: Europe and Central Asia

Labour rights under pressure (target 8.8.2)

The level of national compliance¹⁷ with freedom of association and the effective recognition of the right to collective bargaining is measured through SDG indicator 8.8.2.^{18 19} Europe and Central Asia, in line with other regions in the World, have experienced a progressive deterioration in the indicator since 2015 (see Figure 5).

Figure 5. Level of non-compliance - Freedom of association and the effective recognition of the right to collective bargaining rights



Note: SDG indicator 8.8.2 seeks to measure the level of national compliance with fundamental labour rights (freedom of association and collective bargaining). It has a range from 0 to 10, with 0 being the best possible score (indicating higher levels of compliance) and 10 the worst (indicating lower levels of compliance).

Source: International Labour Organization. ILO Calculations are based on information from ILO textual sources, ILOSTAT.

<https://ilostat ilo.org/data/>, Accessed 13-02-2025.

Achieving SDG8

Progress towards SDG 8 in Europe and Central Asia is evident, with all subregions making strides in advancing the decent work agenda and sustainable enterprises as sources of economic growth. However, progress remains uneven, with notable subregional disparities that highlight both achievements and ongoing challenges. While momentum should be maintained, existing gaps—such as those in labour market access for vulnerable groups—must be addressed, alongside setbacks in the protection of labour rights. Strengthening commitment to the ILO's Decent Work Agenda through inclusive labour market policies, social dialogue, and labour rights remains essential to ensuring sustained and equitable progress across the region.

¹⁷ Referring to compliance is established on the basis of an indicator, which is based on the coding of the textual sources against a detailed list of evaluation criteria, with the coding then converted into the indicator

¹⁸ SDG indicator 8.8.2 "Level of national compliance with labour rights (freedom of association and collective bargaining) based on ILO textual sources and national legislation" seeks to measure the level of national compliance with fundamental labour rights (freedom of association and collective bargaining). Definition: <https://ilostat ilo.org/methods/concepts-and-definitions/description->

sustainable-development-labour-market-indicators/about-sdg-indicator-8-8-2/

¹⁹ Labour rights extend beyond the scope of SDG target 8.8.2, encompassing a broader range of protections, including occupational safety and health (OSH), freedom of association, collective bargaining, and other fundamental principles and rights at work.